

# CITY OF SAN ANTONIO, TEXAS PROPOSED ANNUAL OPERATING BUDGET FISCAL YEAR 2005-2006 HIGHLIGHTS

## Streets, safety, reserve funds focus of FY 2006 Proposed Budget

**S**treets, safety and reserve funds top the list of investments outlined in the City's proposed budget of services that, for the first time in 10 years, will not be challenged by a budgetary shortfall in FY 2006.

Higher than expected General Fund revenues, lower than expected expenditures, and thoughtful budget strategy have provided for \$26.3 million in program improvements for the next fiscal year, with 71% of those improvements dedicated to infrastructure, public safety, employee compensation and the City's reserve fund.

An additional \$10 million is proposed for contractual street maintenance for FY 2006, increasing the City's contractual street budget to \$16.7 million. When combined with street work completed by City forces, \$45.4 million is budgeted for FY 2006 to improve local streets. Similarly, \$14.7 million is proposed for major service delivery enhancements in public safety including new EMS units and paramedics, fire pumper truck replacements and additional police officers.

The budget proposal also contributes \$3.55 million into a critical reserve or "rainy day" fund that ensures reserves to pay for service delivery during catastrophic events that are likely to reduce General Fund resources. FY 2006 will be the first time this appropriation has increased in six years.

The budget also promotes the use of one-time funds to pay for certain services rather than committing the City to recurring expenditures. Also, many services have been proposed according to a two-year budget plan. A shortfall has been projected for FY 2007.

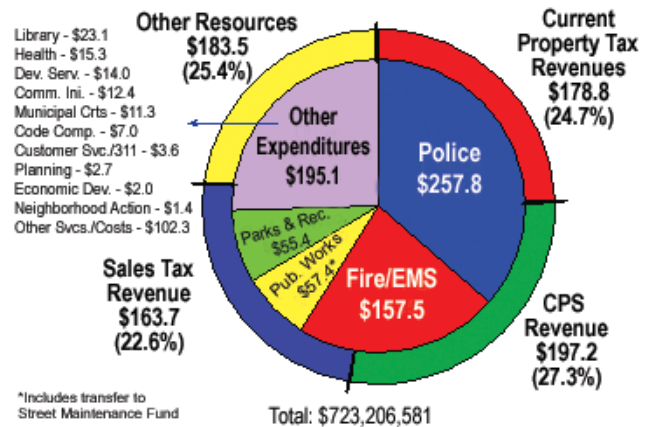
After school activities, animal care, operational efficiencies, customer service enhancements and employee compensation also are issues targeted for investment in the proposed budget for FY 2006.

### FY 2006 Budget Process Timeline

8/11	10:00 a.m.	City Manager presents Proposed Budget
8/23	6:00 p.m.	Public Hearing on Proposed Budget
9/1	6:00 p.m.	Public Hearing on Proposed Tax Rate
9/6	6:00 p.m.	Public Hearing on Proposed Budget
9/8	6:00 p.m.	Public Hearing on Proposed Tax Rate
9/15		City Council to adopt FY 2005-06 Budget

Additionally, Council will hold nine budget worksessions beginning at 3:00 p.m. on the following dates: 8/17, 8/18, 8/24, 8/25, 8/31, 9/1, 9/7, 9/8 and 9/14.

### FY 2006 Proposed General Fund Available Resources Distributed Over Major Service Delivery Areas (\$ in millions)



### The General Fund/\$723.2 million

This fund supports a majority of basic City services including streets and infrastructure, public safety initiatives, and parks and recreation activities. For FY 2006, these services would be supported by \$723.2 million in revenue derived primarily from local property tax collections (\$178.8 million), City Public Service payments to the City (\$197.2 million), and sales tax revenues (\$163.7 million).

- The City's payment from CPS is the largest source of revenue for the General Fund. Fourteen percent of all CPS gas and electric customer service revenue is paid to the City as a return on investment.
- For the thirteenth straight year, no increase in the overall property tax rate is projected. The tax rate would remain 57.854 cents per \$100 taxable valuation. For homeowners whose appraised value has not changed from 2005 to 2006, there would be no change in their City property tax bill.
- A healthy local economy continues to result in strong sales tax collection. \$163.7 million in sales tax receipts are projected for FY 2006.

# FY 2006 budget proposal addresses Council's funding priorities

## ● Revenues

The proposed budget recommends increasing several existing fees and the creation of new fees to address the pressure on available dollars in the General Fund. Recommended increases would total \$2.92 million for the FY 2006 budget. Included in the budget is a policy that calls for towing vehicles from traffic stops and vehicle accidents if the driver has no proof of liability insurance. Proof of insurance is required by Texas law to operate a vehicle. Operational guidelines for this policy will be finalized in the coming months. The fee is proposed to go into effect January 1, 2006 and would generate \$1.68 million for the General Fund.

**Reserve for Revenue Loss** The proposed budget recommends \$3.55 million to be contributed to the City's Reserve for Revenue Loss. The reserve began in 1989 to ensure payment for critical service deliveries in case of a catastrophic event affecting revenues. FY 2006 represents the first time this appropriation has increased in six years. The reserve would increase to \$26.7 million.

## ● Redirections/Reductions Savings

The FY 2006 budget proposes 18 reductions and efficiencies totaling \$1.2 million with a net savings of \$585,510 in the General Fund. Included in this figure is the elimination of 31 vacant, full-time positions and numerous line item budget reductions.

## ● Streets and Infrastructure

**Contractual and City Forces** – an additional \$10 million for contractual street maintenance has been proposed, increasing the total annual contractual street maintenance budget to \$16.7 million, which includes \$5 million in one-time funds for FY 2006. An estimated 421 lane miles of streets would receive maintenance applications through this program. Consistent with Council's direction to develop a two-year budget plan, contractual street maintenance spending is proposed to increase to \$21.7 million in FY 2007 by budgeting one-time funds of \$10 million. \$28.7 million is budgeted in FY 2006 for street maintenance provided by City forces. When combining City forces and contractual programs, the proposed budget includes \$45.4 million for street maintenance in FY 2006 and \$49.99 million in FY 2007.



**Contractual Neighborhood Access and Mobility Program (NAMP) Enhancement** – NAMP includes projects such as small street repairs, new sidewalks, speed humps, traffic signals and school flashing beacons. \$1 million in one-time resources is proposed to be added to the current \$2 million NAMP budget for a total budget of \$3 million.

**Advanced Transportation District (ATD) Funding** – \$1.772 million from the City's share of ATD funds is proposed for 13 positions to manage \$10.2 million annually in ATD projects.

**November 2007-2011 General Obligation Bond Election** – \$200,000 is proposed for architectural and engineering services to provide cost estimates for Council members during the project development and selection process preceding a possible \$210 million bond election as early as November 2007.

**Downtown Comfort Stations and Rest Stop** – \$500,000 is proposed to pay for the construction of a rest stop to be located at the Riverbend Parking Garage at Presa and Commerce Streets. The budget also proposes \$1 million in ATD funds over the next two years to provide two additional comfort stations to be co-located to service VIA bus route transfer points. The comfort stations would be available 24 hours a day and include a self-cleaning, automated restroom unit, water fountain and other amenities.



## ● Public Safety

**Two Additional Emergency Medical Service (EMS) Units** – \$1.75 million, including one-time costs of \$499,808 for the purchase of ambulance units, is budgeted to add two full-time EMS units and 24 EMS paramedics. The two new units would be placed at locations that have been experiencing the highest calls for service and improve response times.

**Replace and Upgrade Electrocardiogram (EKG) Devices** – \$366,597 in one-time funding is proposed for the replacement and installation of 40 upgraded EKG devices from 3-Lead devices to 12-Lead devices. The 12-Lead EKGs would enable paramedics to better assess, treat, and medicate patients suffering from heart-related illnesses and shorten the critical door-to-hospital treatment period.

## 19 City services identified by City Council for funding review

*The following services were identified by City Council as high priority programs and services that should be considered for funding increases or changes.*

- Street Maintenance by City Crews
- After School Challenge Program
- Contractual Street Maintenance
- Employee Health Insurance Benefit Options/Costs
- Neighborhood Access & Mobility Program
- Mayor and City Council Administrative and Operational Changes
- Public Restrooms (Downtown and Parks)
- Community Policing (SAFFE)
- CPS Revenue Policy
- Police & Fire Collective Bargaining
- Park Development
- Capital Programs
- Youth Development
- Animal Care
- EMS Service
- Implementation of Bond and HUD 108 Capital Improvement Programs
- Additional Cost of Living Adjustments in FY 2006
- Branch Libraries
- General Fund Reserve for Revenue Loss



**Fire Apparatus Replacement** – the FY 2006 budget proposes funding for the replacement of 13 pumper trucks that have reached or exceeded their useful life but were not included in the City's Equipment Renewal and Replacement Fund when they were purchased in the 1980s.

**Fire Station Annexation Plan**

– \$1.355 million is proposed for a new fire station and fire company to provide fire services to the Southside Initiative areas near the Toyota Manufacturing Plant.

**Patrol Officers** – \$355,775 is proposed for the addition of seven new police officers in FY 2006. One of the officers would be designated for the newly-annexed Southside areas while the other six would serve other locations within the city.

**Police Helicopter Replacement** – \$237,611 in one-time funding would be used with insurance funds to replace the Police helicopter that crashed during a training maneuver in 2005. The replacement is one of four helicopters the Police Department uses for aerial patrol coverage.

**Crime Control and Prevention District (CCPD)** – \$709,640 is budgeted to pay for the costs associated with an election in November 2005 to establish a CCPD. Should the District be approved, the City will be reimbursed for this expense.

**Family Domestic Violence Prevention** – \$300,000 is proposed in FY 2006 to address domestic violence issues in San Antonio.

● **Parks and Recreation**

**After School Activities Enhancement Initiative** – \$217,815 of redirected General Fund dollars would be used to implement more structured and supervised activities including organized sports, games as well as science, fine arts and math-related activities at the program's 26 sites.

**Aquifer Protection & Linear Creeks Venue Projects** – on October 1, the City will begin to collect funds approved by voters in May 2005 for the acquisition of property over the Edwards Aquifer and the acquisition and creation of linear parks along Leon and Salado Creeks, the Medina River and the San Antonio River. \$20.37 million in sales tax revenue will be collected in the first year to support both venues and their improvements.

**Park Support & Recreation Services - G.O. Bond Program Facilities** – \$602,000 is budgeted for park safety, recreation, and



support services for park facilities acquired or enhanced with General Obligation Bond Programs.

**Special Events Office** – \$95,342 would be redirected to create a new Special Downtown Events Office to assist with the coordination and management of special city-wide events, provide assistance with traffic and crowd control for streets, parks and property maintenance, and manage city aspects of the Public Improvement District. Additionally, \$100,000 is budgeted for event costs including street closures and barricades associated with such events.

● **Neighborhood Services**

**Animal Care** – in an effort to increase animal adoptions and reduce the number of stray animals, the budget proposes an increase of \$868,394 in FY 2006 for Animal Care services for additional personnel, supplies, and euthanasia by injection.

**Community Link Center** – \$223,973 is proposed to pilot the co-location of a modified Community Link center with the planned Multi-Use Health and Community Initiatives branch office on Naco-Perrin in District 10. Included in this cost are funds to support the study and reengineering of Community Link services.

● **Health and Human Services**

**Library Materials Budget** – the FY 2006 budget proposes \$500,000 in one-time funds to be added to the Library's recurring base budget of \$2.1 million for the purchase of additional library materials such as books, periodicals and multi-media items.

**Library Inventory/Theft Management and Self**

**Check Out** – \$1.032 million is proposed for the implementation of a new

theft detection system to minimize the theft of library materials. The system would be phased in over a three-year period. The new system would use radio frequency identification technology to provide security as well as more efficient tracking of materials, faster check in and check out, improved inventory management and materials handling.

**Hunger and Homelessness Initiatives** – \$333,000 is proposed to renew contracts with facilities that provide day center services for chronic homeless individuals and families.

**Teen STD Prevention Program** – \$200,000 is proposed for a program to address the growing problem of sexually-transmitted diseases (STD). Age appropriate educational curriculums and materials would be provided for middle and high school students and their parents in prioritized areas.

**City Council Human Development Services Fund** – \$459,998 (\$41,818 for each Council district) is proposed to continue the City's investment in community-based and human development initiatives such as parenting classes, college scholarships and summer recreation programs.

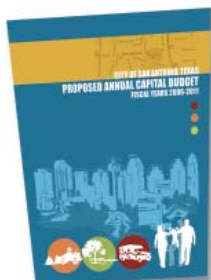
● **Environmental Services**

**Proposed FY 2006 Rate Adjustments** – a monthly rate increase of \$1.68 per household is proposed in FY 2006 to support resi-



## Six-Year Capital Improvement Plan

The FY 2006 through FY 2011 Capital Plan, which contains 429 projects, totals \$1.071 billion. Items in the six-year scope include street and sidewalks improvements, drainage enhancements, park and library facility rehabilitation projects, aquifer land acquisition and linear park development, public health and safety enhancements, airport system improvements, flood control projects. For FY 2006, the Capital budget includes \$476.5 million in projects.



## Other Funds

### Community and Visitor Facilities (CVF) Fund/\$57.8 million

- The proposed budget begins to address projected shortfalls in FY 2006 and FY 2007 through a combination of revenue enhancements and reductions/redirections.
- A \$500,000 improvement is proposed to augment the base advertising and marketing campaign to \$6.6 million for the Convention and Visitors Bureau in FY 2006. This additional funding would address the growing costs of marketing San Antonio and assist in the marketing of an additional 1,000 hotel rooms.
- Event parking fees at the Alamodome would increase from \$8 to \$10 to generate additional revenue to meet expenses.

### Golf Fund/\$6.4 million

The June 2005 Five-Year Financial Forecast projected a \$795,000 shortfall in FY 2006. However, a combination of revenue enhancements and reductions, including increasing golf cart rental fees by \$2 and exploring marketing and outsourcing opportunities, are expected to reduce the shortfall to \$688,642.

## Funding priorities continued

dential garbage and brush collection. The increase is needed to maintain the same level of service and to recover costs associated with rising fuel prices, truck replacement and maintenance costs, and employee health insurance costs. The increase includes a \$0.42 (\$9.71 to \$10.13) increase in the monthly Residential Garbage fee to maintain the current twice-a-week schedule of garbage collection and once-a-week collection of recyclables. To maintain twice-a-year residential brush collection, a \$1.26 increase (\$1.20 to 2.46) is recommended in the monthly Residential Brush Fee.

**FY 2006 - Automated Garbage Collection** – 12 manual garbage collection routes are proposed for conversion into automated collection routes as part of the first year of a seven-year implementation plan for garbage collection automation.



### ● Economic Development

**The Cultural Collaborative (TCC)** – \$500,000 in CVF funds is proposed for FY 2006 to implement the TCC and its 38 strategies designed to grow San Antonio's creative economy through various arts and culture initiatives.

**Brooks City-Base** – \$1.02 million is proposed to support on-going operations costs for the Brooks Development Authority. This includes an additional \$175,000 increase above the FY 2005 budget for technology enhancements necessitated by the anticipated departure of Air Force missions over the next five years.

**Texas A&M Campus Land Acquisition** – the FY 2006 Capital Budget includes \$15 million in Certificates of Obligation funding for land acquisition for the A&M campus in San Antonio. The

### Storm Water Fund/\$28.9 million

A \$1.6 million shortfall is projected in this fund for FY 2007. To address this shortfall, the proposed budget recommends equipment efficiencies and personnel adjustments in FY 2006. However, no Stormwater Fee increase is proposed for FY 2006; the average monthly rate would remain \$3.68.

### Aviation Fund/\$47.07 million

- Eight new positions at a cost of \$284,455 are proposed to provide fiscal operations support and capital project administration related to the Airport System's \$400 million capital improvement program.
- Four new positions at a cost of \$171,888 are proposed for organizational changes related to airport federal security regulations.

### Parking Facilities Fund/\$9.5 million

- This fund is expected to lose \$866,000 in FY 2006 due to the closures of HemisFair Garage and several IH-35 surface lots.
- \$220,613 is proposed for the installation of automated parking meters/pay stations at selected surface lots, meter sites, and parking garages to enhance customer service and increase efficiencies.

\$15 million would be used for the acquisition, clearance and removal of property impairments at the preferred campus site near IH-410 and U.S. 281.

### ● Operational Excellence

**Organizational Efficiencies through Select Reorganizations** – the proposed budget includes several organizational and realignment efficiencies intended to improve quality assurance, external communication, departmental efficiencies and business process design. The changes are expected to occur in the fall of 2005.

**Customer Convenience Initiative** – \$250,000 in one-time resources is proposed to acquire and develop alternative payment systems such as wireless credit card processors and the expansion of on-line payment systems. The devices would provide the City with a safer and more effective way of collecting fees, thereby increasing the City's overall revenues.

**Fuel-Efficient Hybrid Vehicles** – in FY 2006, the City proposes to purchase 39 gasoline/electric (hybrid) sedans to add to 26 already in the City fleet in lieu of purchasing traditional vehicles scheduled for replacement. While hybrid vehicles are more expensive, over their useful life they have proven to be more economical and environmentally friendly.

**Employee Workforce and Compensation** – a market salary adjustment of 3% is proposed for civilian employees with an annual base salary of \$50,000 and below (92% of eligible employees). Employees earning greater than \$50,000 will receive a 2% adjustment. The FY 2006 proposed budget includes a partnership-strategy between the City and the employees and retirees to manage health care costs with the goal of lowering health care spending. To balance cost sharing measures of increases to deductibles and out-of-pocket maximums, civilian employees and non-Medicare retirees covered within the City's health insurance programs would be provided with a flexible spending account of \$250 to be used for health care costs in 2006. Additionally, no increase in monthly health care premium charges for civilian employees is proposed.